



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2010 REGULAR SESSION

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HOUSE BILL NO. 323

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WEDNESDAY, FEBRUARY 24, 2010

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The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED  
DATE April 8, 2010  
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TREY GRAYSON  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY R. Adler

AN ACT relating to charter county governments.

***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

1        ➔ Section 1. KRS 132.010 is amended to read as follows:

2        As used in this chapter, unless the context otherwise requires:

3        (1) "Department" means the Department of Revenue.

4        (2) "Taxpayer" means any person made liable by law to file a return or pay a tax.

5        (3) "Real property" includes all lands within this state and improvements thereon.

6        (4) "Personal property" includes every species and character of property, tangible and  
7        intangible, other than real property.

8        (5) "Resident" means any person who has taken up a place of abode within this state  
9        with the intention of continuing to abide in this state; any person who has had his  
10       actual or habitual place of abode in this state for the larger portion of the twelve  
11       (12) months next preceding the date as of which an assessment is due to be made  
12       shall be deemed to have intended to become a resident of this state.

13       (6) "Compensating tax rate" means that rate which, rounded to the next higher one-  
14       tenth of one cent (\$0.001) per one hundred dollars (\$100) of assessed value and  
15       applied to the current year's assessment of the property subject to taxation by a  
16       taxing district, excluding new property and personal property, produces an amount  
17       of revenue approximately equal to that produced in the preceding year from real  
18       property. However, in no event shall the compensating tax rate be a rate which,  
19       when applied to the total current year assessment of all classes of taxable property,  
20       produces an amount of revenue less than was produced in the preceding year from  
21       all classes of taxable property. For purposes of this subsection, "property subject to  
22       taxation" means the total fair cash value of all property subject to full local rates,  
23       less the total valuation exempted from taxation by the homestead exemption  
24       provision of the Constitution and the difference between the fair cash value and  
25       agricultural or horticultural value of agricultural or horticultural land.

- 1 (7) "Net assessment growth" means the difference between:
- 2 (a) The total valuation of property subject to taxation by the county, city, school
- 3 district, or special district in the preceding year, less the total valuation
- 4 exempted from taxation by the homestead exemption provision of the
- 5 Constitution in the current year over that exempted in the preceding year, and
- 6 (b) The total valuation of property subject to taxation by the county, city, school
- 7 district, or special district for the current year.
- 8 (8) "New property" means the net difference in taxable value between real property
- 9 additions and deletions to the property tax roll for the current year. "Real property
- 10 additions" shall mean:
- 11 (a) Property annexed or incorporated by a municipal corporation, or any other
- 12 taxing jurisdiction; however, this definition shall not apply to property
- 13 acquired through the merger or consolidation of school districts, or the
- 14 transfer of property from one (1) school district to another;
- 15 (b) Property, the ownership of which has been transferred from a tax-exempt
- 16 entity to a nontax-exempt entity;
- 17 (c) The value of improvements to existing nonresidential property;
- 18 (d) The value of new residential improvements to property;
- 19 (e) The value of improvements to existing residential property when the
- 20 improvement increases the assessed value of the property by fifty percent
- 21 (50%) or more;
- 22 (f) Property created by the subdivision of unimproved property, provided, that
- 23 when such property is reclassified from farm to subdivision by the property
- 24 valuation administrator, the value of such property as a farm shall be a
- 25 deletion from that category;
- 26 (g) Property exempt from taxation, as an inducement for industrial or business
- 27 use, at the expiration of its tax exempt status;

1 (h) Property, the tax rate of which will change, according to the provisions of  
 2 KRS 82.085, to reflect additional urban services to be provided by the taxing  
 3 jurisdiction, provided, however, that such property shall be considered "real  
 4 property additions" only in proportion to the additional urban services to be  
 5 provided to the property over the urban services previously provided; and

6 (i) The value of improvements to real property previously under assessment  
 7 moratorium.

8 "Real property deletions" shall be limited to the value of real property removed  
 9 from, or reduced over the preceding year on, the property tax roll for the current  
 10 year.

11 (9) "Agricultural land" means:

12 (a) Any tract of land, including all income-producing improvements, of at least  
 13 ten (10) contiguous acres in area used for the production of livestock,  
 14 livestock products, poultry, poultry products and/or the growing of tobacco  
 15 and/or other crops including timber;

16 (b) Any tract of land, including all income-producing improvements, of at least  
 17 five (5) contiguous acres in area commercially used for aquaculture; or

18 (c) Any tract of land devoted to and meeting the requirements and qualifications  
 19 for payments pursuant to agriculture programs under an agreement with the  
 20 state or federal government.

21 (10) "Horticultural land" means any tract of land, including all income-producing  
 22 improvements, of at least five (5) contiguous acres in area commercially used for  
 23 the cultivation of a garden, orchard, or the raising of fruits or nuts, vegetables,  
 24 flowers, or ornamental plants.

25 (11) "Agricultural or horticultural value" means the use value of "agricultural or  
 26 horticultural land" based upon income-producing capability and comparable sales of  
 27 farmland purchased for farm purposes where the price is indicative of farm use

1 value, excluding sales representing purchases for farm expansion, better  
 2 accessibility, and other factors which inflate the purchase price beyond farm use  
 3 value, if any, considering the following factors as they affect a taxable unit:

- 4 (a) Relative percentages of tillable land, pasture land, and woodland;
- 5 (b) Degree of productivity of the soil;
- 6 (c) Risk of flooding;
- 7 (d) Improvements to and on the land that relate to the production of income;
- 8 (e) Row crop capability including allotted crops other than tobacco;
- 9 (f) Accessibility to all-weather roads and markets; and
- 10 (g) Factors which affect the general agricultural or horticultural economy, such  
 11 as: interest, price of farm products, cost of farm materials and supplies, labor,  
 12 or any economic factor which would affect net farm income.

13 (12) "Deferred tax" means the difference in the tax based on agricultural or horticultural  
 14 value and the tax based on fair cash value.

15 (13) "Homestead" means real property maintained as the permanent residence of the  
 16 owner with all land and improvements adjoining and contiguous thereto including,  
 17 but not limited to, lawns, drives, flower or vegetable gardens, outbuildings, and all  
 18 other land connected thereto.

19 (14) "Residential unit" means all or that part of real property occupied as the permanent  
 20 residence of the owner.

21 (15) "Special benefits" are those which are provided by public works not financed  
 22 through the general tax levy but through special assessments against the benefited  
 23 property.

24 (16) "Mobile home" means a structure, transportable in one (1) or more sections, which  
 25 when erected on site measures eight (8) body feet or more in width and thirty-two  
 26 (32) body feet or more in length, and which is built on a permanent chassis and  
 27 designed to be used as a dwelling, with or without a permanent foundation, when

1 connected to the required utilities, and includes the plumbing, heating, air-  
2 conditioning, and electrical systems contained therein. It may be used as a place of  
3 residence, business, profession, or trade by the owner, lessee, or their assigns and  
4 may consist of one (1) or more units that can be attached or joined together to  
5 comprise an integral unit or condominium structure.

6 (17) "Recreational vehicle" means a vehicular type unit primarily designed as temporary  
7 living quarters for recreational, camping, or travel use, which either has its own  
8 motive power or is mounted on or drawn by another vehicle. The basic entities are:  
9 travel trailer, camping trailer, truck camper, and motor home.

10 (a) Travel trailer: A vehicular unit, mounted on wheels, designed to provide  
11 temporary living quarters for recreational, camping, or travel use, and of such  
12 size or weight as not to require special highway movement permits when  
13 drawn by a motorized vehicle, and with a living area of less than two hundred  
14 twenty (220) square feet, excluding built-in equipment (such as wardrobes,  
15 closets, cabinets, kitchen units or fixtures) and bath and toilet rooms.

16 (b) Camping trailer: A vehicular portable unit mounted on wheels and constructed  
17 with collapsible partial side walls which fold for towing by another vehicle  
18 and unfold at the camp site to provide temporary living quarters for  
19 recreational, camping, or travel use.

20 (c) Truck camper: A portable unit constructed to provide temporary living  
21 quarters for recreational, travel, or camping use, consisting of a roof, floor,  
22 and sides, designed to be loaded onto and unloaded from the bed of a pick-up  
23 truck.

24 (d) Motor home: A vehicular unit designed to provide temporary living quarters  
25 for recreational, camping, or travel use built on or permanently attached to a  
26 self-propelled motor vehicle chassis or on a chassis cab or van which is an  
27 integral part of the completed vehicle.

1 (18) "Hazardous substances" shall have the meaning provided in KRS 224.01-400.

2 (19) "Pollutant or contaminant" shall have the meaning provided in KRS 224.01-400.

3 (20) "Release" shall have the meaning as provided in either or both KRS 224.01-400 and  
4 KRS 224.60-115.

5 (21) "Qualifying voluntary environmental remediation property" means real property  
6 subject to the provisions of KRS 224.01-400 and 224.01-405, or 224.60-135 where  
7 the Environmental and Public Protection Cabinet has made a determination that:

8 (a) All releases of hazardous substances, pollutants, contaminants, petroleum, or  
9 petroleum products at the property occurred prior to the property owner's  
10 acquisition of the property;

11 (b) The property owner made all appropriate inquiry into previous ownership and  
12 uses of the property in accordance with generally accepted practices prior to  
13 the acquisition of the property;

14 (c) The property owner or a responsible party has provided all legally required  
15 notices with respect to hazardous substances, pollutants, contaminants,  
16 petroleum, or petroleum products found at the property;

17 (d) The property owner is in compliance with all land use restrictions and does  
18 not impede the effectiveness or integrity of any institutional control;

19 (e) The property owner complied with any information request or administrative  
20 subpoena under KRS Chapter 224; and

21 (f) The property owner is not affiliated with any person who is potentially liable  
22 for the release of hazardous substances, pollutants, contaminants, petroleum,  
23 or petroleum products on the property pursuant to KRS 224.01-400, 224.01-  
24 405, or 224.60-135, through:

25 1. Direct or indirect familial relationship;

26 2. Any contractual, corporate, or financial relationship, excluding  
27 relationships created by instruments conveying or financing title or by

contracts for sale of goods or services; or

3. Reorganization of a business entity that was potentially liable.

(22) "Intangible personal property" means stocks, mutual funds, money market funds, bonds, loans, notes, mortgages, accounts receivable, land contracts, cash, credits, patents, trademarks, copyrights, tobacco base, allotments, annuities, deferred compensation, retirement plans, and any other type of personal property that is not tangible personal property.

**(23) (a) "County" shall also mean "charter county government";**

**(b) "Fiscal court" shall also mean "legislative body of a charter county government"; and**

**(c) "County judge/executive" shall also mean "chief executive officer of a charter county government."**

➔SECTION 2. A NEW SECTION OF KRS 67.825 TO 67.875 IS CREATED TO READ AS FOLLOWS:

**The provisions of KRS 68.245, Section 1 of this Act, and 132.017 shall apply to ad valorem tax rates levied by charter county governments.**

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 68 IS CREATED TO READ AS FOLLOWS:

**As used in this chapter unless the context requires otherwise:**

**(1) "County" shall also mean "charter county government";**

**(2) "Fiscal court" shall also mean "legislative body of a charter county government"; and**

**(3) "County judge/executive" shall also mean "chief executive officer of a charter county government."**

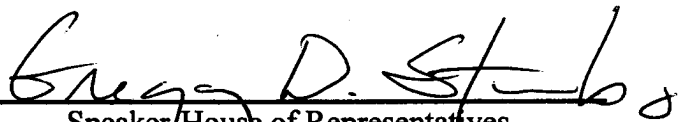
➔Section 4. KRS 133.010 is amended to read as follows:


As used in this chapter, unless the context requires otherwise:

(1) "Board" means the county board of assessment appeals.



- 1 (2) "Department" means the Department of Revenue.
- 2 (3) "Taxpayer" means any person made liable by law to file a return or pay a tax.
- 3 (4) "Real property" includes all lands within this state and improvements thereon.
- 4 (5) "Personal property" includes every species and character of property, tangible and  
5 intangible, other than real property.
- 6 **(6) (a) "County" shall also mean "charter county government";**
- 7 **(b) "Fiscal court" shall also mean "legislative body of a charter county**  
8 **government"; and**
- 9 **(c) "County judge/executive" shall also mean "chief executive officer of a**  
10 **charter county government."**

  
\_\_\_\_\_  
Speaker/ House of Representatives

  
\_\_\_\_\_  
President of Senate

Attest:   
\_\_\_\_\_  
Chief Clerk of House of Representatives

Approved   
\_\_\_\_\_  
Governor

Date   
\_\_\_\_\_